

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2115 – SB 2260

March 21, 2018

SUMMARY OF ORIGINAL BILL: Enacts the University of Tennessee (UT) Focusing on Campus and University (FOCUS) Act. Vacates the existing membership of the UT Board of Trustees. Reconstitutes the UT Board of Trustees to consist of one ex-officio voting member and 10 voting members appointed by the Governor. Requires each member of the Board of Trustees to be reimbursed for travel related expenses. Sets forth other revisions regarding the Governance of the UT system.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Exceeds \$16,000/University of Tennessee

SUMMARY OF AMENDMENTS (013725, 015757): Amendment 013725 Deletes and replaces language of the original bill such that the substantive changes are as follows: (1) reconstitutes the composition of the UT Board of Trustees to consist of one ex-officio voting member, 10 voting members, and one non-voting student member; (2) sets forth selection process, duties, responsibilities, and term limits for the one non-voting student member; (3) requires the UT Board of Trustees to establish standing committees with responsibility for oversight of Academic Affairs and Student success; and (4) deletes requirement that each advisory board shall provide a recommendation to the President of UT on the proposed operating budget.

Amendment 015757 deletes and replaces language of the bill as amended by amendment 013725 such that the substantive changes are as follows: (1) prohibits the restructure or reorganization of the UT system in a manner that removes a campus or institute from the system, unless such restructure or reorganization is authorized specifically by statute; (2) establishes confirmation guidelines for appointed members of the UT board of Trustees; and (3) deletes the provision that prohibits certain individuals from serving as a member of an advisory board.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Decrease State Expenditures – Exceeds \$15,000/University of Tennessee


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Assumptions for the bill as amended:

- There are currently 27 members serving on the Board of Trustees.
- The proposed legislation as amended would reduce the number of members serving on the UT Board of Trustees to 12 members; decreasing the total number of members by 15.
- Travel reimbursement expenses for the members of the UT Board of Trustees are reasonably assumed to be at least \$200 per member per meeting for at least five meetings per year.
- Each member receives at least \$1,000 (5 meetings x \$200) in travel expense reimbursement annually. The recurring decrease in state expenditures to UT is estimated to exceed \$15,000 (\$1,000 x 15).
- Appointments and confirmation hearings will be accomplished in the normal course of business and when the General Assembly is convened. Any increase in state expenditures for this purpose is estimated to be not significant.
- Any increase in state expenditures for additional meeting materials is estimated to be not significant.
- Policies regarding the governance of the UT System under the provisions of the proposed legislation will be adopted and performed during UT's normal course of business. Any fiscal impact to UT as a result of adopting policies regarding the governance of the UT system is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/rbp